

Exhibit Z

In the Matter Of:

S&A Capital v JPMorgan Chase

15-cv-00293-

LAURENCE SCHNEIDER

July 28, 2017



ESQUIRE
DEPOSITION SOLUTIONS

800.211.DEPO (3376)
EsquireSolutions.com

1 APPEARANCES:

2 On behalf of the Plaintiffs:

3 MARY JANE FAIT, ESQUIRE
4 TANTILLO LAW
5 100 Church Street, 8th Floor
6 New York, New York 10007
7 Cell: 847-922-6729
8 E-mail: mjfait@tantillolaw.com

7 BRENT S. TANTILLO, ESQUIRE
8 TANTILLO LAW
9 1629 K. Street, N.W.
10 Suite 300
11 Washington, D.C. 20006
12 Cell: 786-506-2991
13 E-mail: btantillo@tantillolaw.com

12 On behalf of the Defendants:

13 ROBERT D. WICK, ESQUIRE
14 IVANO VENTRESCA, ESQUIRE
15 COVINGTON & BURLING LLP
16 One CityCenter
17 850 Tenth Street, N.W.
18 Washington, DC 20001-4956
19 Telephone: (202) 662-6000
20 E-mail: RWick@cov.com

18 Also Present:

19 Don Savoy, Videographer
20
21
22
23
24
25

1 As of today, Mr. Schneider, do you have any
2 income coming in other than from S&A Capital and 1st
3 Fidelity and Real Estate & Finance?

4 A. Well, the money coming in from those entities
5 comes in different forms, right?

6 So some of it is interest on shareholder
7 loans. Actually, it was that, really that deal I did
8 back in, with the land deal, which I made several
9 million dollars, and I bought those pieces from Option
10 One and from Ocwen and from Linton Loan Servicing. And
11 I really obtained the whole network of these lenders who
12 were actually selling loans.

13 And that's where I actually had a large chunk
14 of money, which I decided to deploy in investing in
15 federally-related mortgages.

16 And so we had already been buying loans from
17 HomEq, and I think there were one or two other smaller
18 banks. I don't really recall, but then once we had that
19 larger amount of money, I used it to grow S&A.

20 Q. And my question is not sort of how do you get
21 money from S&A or F&F.

22 I'm interested in are there other sources of
23 income that you have flowing in today that don't relate
24 directly to S&A Capital or 1st Fidelity or Real Estate &
25 Finance?

1 A. Well, I do sell, I do from time to time buy
2 and sell some properties.

3 Q. What types of properties?

4 A. Single-family homes. For instance, the
5 property I live in now, I'm likely going to be selling
6 that shortly. I think I paid 3.6 million for it.

7 Q. And you're going to sell it shortly?

8 A. Perhaps. I haven't made that determination.
9 But I think the market value on it is probably eight and
10 a half million. So right there is just 5 million.

11 Q. Do you own that outright?

12 A. There's a small private mortgage on there.

13 Q. How often do you buy and sell single-family
14 homes?

15 A. Not very often. Just every couple of -- when
16 an opportunity comes, I really don't have the
17 opportunity because I'm always working on this case and
18 trying to resolve the issues, which have come because of
19 the reason why we're sitting here.

20 Q. Other than 1st Fidelity, S&A and buying and
21 selling single-family homes, do you have any other
22 sources of income today?

23 A. Would you consider distributions from
24 annuities as income?

25 Q. I guess that is one form of income. Do you

1 have some distributions from annuities?

2 A. Yeah.

3 Q. And are those annuities contracts that you
4 purchased from insurance companies?

5 A. Through a financial adviser. I don't
6 technically know what they are, but they are annuities.

7 Q. Do you have any other sources of income that
8 we haven't discussed yet?

9 A. No. The rest of it would probably be from S&A
10 and 1st Fidelity.

11 Q. Are you a 65 percent owner of S&A Capital?

12 A. I believe that myself and my wife are joint.
13 We own the shares together. I don't know, I don't
14 remember what capacity. Some attorneys handled it for
15 me. I don't know if it's tenants-by-the-entirety or
16 tenants-in-common or anything like that.

17 Q. Between you and your wife, do you own
18 65 percent of the company?

19 A. Yes.

20 Q. And does your brother-in-law, Mr. Axel, own
21 the remainder?

22 A. No, I believe he owns those shares with his
23 wife.

24 Q. Are you -- who owns 1st Fidelity?

25 A. 1st Fidelity is owned I believe 99 percent by

1 myself and my wife, and I believe 1 percent by Real
2 Estate & Finance.

3 Q. Who owns Real Estate & Finance?

4 A. Myself. I don't recall if my wife is part of
5 that, a shareholder or not. I'll have to get back to
6 you.

7 Q. And S&A Capital pays you a salary, correct?

8 A. Yes.

9 Q. And it pays you a management fee, correct?

10 A. It pays Real Estate & Finance a management
11 fee.

12 Q. And does that get forwarded on to you?

13 A. I do take a salary from Real Estate & Finance.

14 Q. And S&A Capital pays interest on a loan that
15 you made to it, right?

16 A. Yes.

17 Q. Does S&A Capital make any other form of
18 payments to you?

19 A. Besides salary, interest, perhaps a
20 distribution here and there.

21 Q. And does it make any other payments to members
22 of your family?

23 A. There were times in the past where some family
24 members did work for Real Estate & Finance.

25 Q. When was that?

1 A. Probably three years ago maybe or four years
2 ago. It wasn't an exceptional amount. I think maybe my
3 wife made like 25 to 35,000 or so.

4 Q. For what? For doing what?

5 A. Help management, help organizing files, help
6 me work through different situations, a lot of really
7 consulting, back board.

8 Q. And that was, just to clarify, that was Real
9 Estate & Financing that you were referring to, correct?

10 A. She has worked for Real Estate & Finance and
11 for S&A Capital. I don't think she's received a salary
12 from S&A in a couple of years.

13 Q. And other than what you told me, does S&A
14 Capital make any payments to any members of your family?

15 MS. FAIT: Presently?

16 MR. WICK: Presently.

17 THE WITNESS: Not that I haven't just
18 disclosed.

19 BY MR. WICK:

20 Q. Okay. Or in the past?

21 A. Yeah, the minor salaries that I had already
22 mentioned.

23 Q. And 1st Fidelity pays you a salary, correct?

24 A. It does -- well, it's supposed to be, but
25 unfortunately, I don't believe I had any salary last

1 year. I don't have any salary to date this year.

2 Q. I didn't hear you.

3 A. And I don't have any salary to date this year
4 either.

5 Q. And does 1st Fidelity pay a management fee to
6 Real Estate & Finance?

7 A. I don't believe -- I'm not sure. It's a small
8 amount if it does.

9 Q. And does 1st Fidelity pay interest to you on a
10 loan that you made to it?

11 A. It has in the past. I've pretty much depleted
12 my loan investments in S&A -- well, and 1st Fidelity to
13 pay for legal fees for all of these matters.

14 Q. What do you mean you've depleted the
15 investments?

16 A. Well, I've taken money out of the company and
17 reduced shareholder loan, because I needed the money to
18 pay attorney's fees.

19 Q. So 1st Fidelity has paid off, mostly paid off
20 the loan that you made to it?

21 A. Mostly.

22 Q. And what's the remaining balance on the 1st
23 Fidelity loan from you?

24 A. I couldn't tell you. Probably less than -- a
25 couple hundred thousand. Maybe less.

1 Q. And what's the remaining balance on your loan
2 to S&A Capital?

3 A. A couple hundred thousand. Maybe less.

4 Q. Does S&A Capital have a bank account?

5 A. Of course.

6 Q. Does it have more than one bank account?

7 A. At the moment, it has one bank account.

8 Q. And what's the approximate balance in S&A
9 Capital's bank account?

10 A. I don't really follow it on a daily basis. I
11 would say probably around 300,000.

12 Q. How does that differ from the approximate
13 balance in that bank account six months ago?

14 A. I don't know that it differs at all. I don't
15 know that it doesn't differ. I don't, I don't have
16 anything really to do with any of the accounting or
17 bookkeeping for S&A Capital.

18 Q. Can you please give me the same information
19 for 1st Fidelity?

20 A. Sure.

21 MS. FAIT: Object to form.

22 BY MR. WICK:

23 Q. Go ahead.

24 A. What's the question?

25 Q. Does it have a bank account?

1 A. Yes.

2 Q. And what's the approximate balance in 1st
3 Fidelity's bank account?

4 A. It would be 50,000.

5 Q. And how does that differ from the approximate
6 balance six months ago?

7 A. I couldn't tell you that it does or it
8 doesn't. There's times when we get payoffs on loans and
9 there is several hundred thousand dollars in the
10 account, and there are times when, you know, there is
11 less. It's just cash flow management.

12 Q. Who owns Mortgage Resolution Servicing?

13 A. I do.

14 Q. 100 percent?

15 A. I'm trying to remember. It, it might be one
16 percent Real Estate & Finance. I don't recall. We just
17 haven't -- I haven't done my tax returns in a couple of
18 years. We've been trying to get that moving along.

19 But I know the last, the last filing was
20 essentially a zero filing for Mortgage Resolution.

21 Q. So you own between 99 and 100 percent of
22 Mortgage Resolution Servicing?

23 A. I think 99. I'm sure it's a two-member LLC.

24 (The documents were marked Defendant's
25 Exhibit 121 and 122 for identification.)